

FOOTHILLS OIL & GAS LTD.

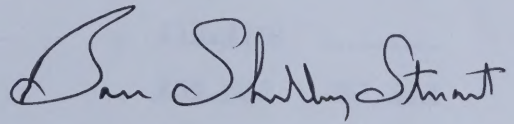
FINANCIAL STATEMENTS
(Unaudited - See Notice To Reader)

DECEMBER 31, 1995

NOTICE TO READER

We have compiled the balance sheets of Foothills Oil & Gas Ltd. as at December 31, 1995 and 1994 and the statements of deficit and cash flow for the six month periods then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Calgary, Alberta
February 20, 1996

A handwritten signature in dark ink, reading "Dan Shilling Stuart". The signature is fluid and cursive, with the first name "Dan" being the most prominent.

CHARTERED ACCOUNTANTS

FOOTHILLS OIL & GAS LTD.

BALANCE SHEETS
AS AT DECEMBER 31
(Unaudited - Notice To Reader)

	<u>1995</u>	<u>1994</u>
<u>ASSETS</u>		
CURRENT		
Cash and term deposits	\$ 243,117	252,031
Accounts receivable	<u>1,222</u>	<u>673</u>
	244,339	252,704
DEFERRED COSTS	<u>14,340</u>	<u>14,524</u>
	\$ <u>258,679</u>	<u>267,228</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable	\$ <u>2,057</u>	<u>-</u>
<u>SHAREHOLDERS' EQUITY</u>		
CAPITAL STOCK	267,228	267,228
DEFICIT	<u>(10,606)</u>	<u>-</u>
	<u>256,622</u>	<u>267,228</u>
	\$ <u>258,679</u>	<u>267,228</u>

FOOTHILLS OIL & GAS LTD.

STATEMENTS OF DEFICIT
FOR THE SIX MONTH PERIODS ENDED DECEMBER 31
(Unaudited - Notice To Reader)

	<u>1995</u>	<u>1994</u>
DEFICIT AT BEGINNING OF PERIOD	\$ (<u>10,606</u>)	<u>-</u>
DEFICIT AT END OF PERIOD	\$ (<u>10,606</u>)	<u>-</u>

NOTE: The Company had no commercial operations during the periods.

FOOTHILLS OIL & GAS LTD.

STATEMENTS OF CASH FLOW
FOR THE SIX MONTH PERIODS ENDED DECEMBER 31
(Unaudited - Notice To Reader)

	<u>1995</u>	<u>1994</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Changes in working capital balances related to operating activities		
Accounts receivable	\$ 352	781
Accounts payable	<u>57</u>	<u>(2,194)</u>
	409	(1,413)
INVESTING ACTIVITY		
Net reduction in deferred costs	<u>1,842</u>	<u>1,158</u>
INCREASE (DECREASE) IN CASH	2,251	(255)
CASH AT BEGINNING OF PERIOD	<u>240,866</u>	<u>252,286</u>
CASH AT END OF PERIOD	\$ <u>243,117</u>	<u>252,031</u>

